



City of Richmond

Report to Committee

To: Finance and Audit Committee

Date: March 6, 2026

From: Mike Ching, CPA, CMA
Director, Finance

File: 03-0905-01/2025-Vol
01

Re: 2025 Annual Development Cost Charges Report

Staff Recommendation

That the report titled, "2025 Annual Development Cost Charges Report", dated March 6, 2026, from the Director, Finance, be received for information.

Mike Ching, CPA, CMA
Director, Finance
(604-276-4137)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Development Applications	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

In compliance with section 569 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30 with information from the previous year. The DCC report must include the following, reported under subsection (2) of section 569, for which the local government imposes development cost charges in the applicable year:

- (a) *the amount of development cost charges received;*
- (b) *the expenditures from the development cost charge reserve funds;*
- (c) *the balance in the development cost charge reserve funds at the start and at the end of the applicable year; and*
- (d) *any waivers and reductions under section 563 (2).*

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

The City's 2025 Annual DCC Report contained in Attachment 1 covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program;
- (ii) 2025 DCC reserve fund balances;
- (iii) 2025 DCC credits;
- (iv) 2025 and 2026 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2025 Annual Development Cost Charges Report includes contribution amounts for which the City holds a security from the developer, where the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2025, that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

There were not any increases to the DCC rates in 2025.

A copy of the 2025 Annual Development Cost Charges Report, which will be available for public viewing on the City's website before June 30, 2026, as per legislation, is attached for information.

Financial Impact

None.

Conclusion

The attached 2025 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 569 of the *Local Government Act*.

A handwritten signature in black ink, appearing to read 'Cindy Gilfillan', is positioned above the typed name.

Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
(604-276-4077)

Att. 1: 2025 Annual Development Cost Charges Report

City of Richmond
**2025 Annual Development
Cost Charges Report**

For the year ended December 31, 2025

CITY OF RICHMOND
2025 ANNUAL DEVELOPMENT COST CHARGES REPORT

This 2025 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond (“City”) pursuant to Section 569 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City’s DCC Program
- II. 2025 DCC Reserve Fund Balances
- III. 2025 DCC Credits
- IV. 2025 and 2026 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

I. DESCRIPTION AND PRINCIPLES OF THE DCC PROGRAM

What is the purpose of the DCC Program?

The purpose of the DCC Program is to provide the municipality with a dedicated source of funding to plan, develop and implement infrastructure services identified by the City. The objective of the DCC program is to ensure that those who will use and benefit from the services developed will pay their share of the costs in a fair and equitable basis. The DCC program is one of the many pieces of the City’s broader community development framework. It is developed in ways that are consistent with the City’s long-term planning objectives and financial strategies.

What are DCCs?

DCCs are levies placed on new development to assist in financing the cost of upgrading or providing infrastructure services, as well as supporting the cost of acquiring and developing parkland needs in order to accommodate the growing population.

Capital projects include, but are not limited to:

- New or widening of existing arterial roads, improvements to traffic signals, sidewalks, walkways and bicycle lanes, upgrades to transit-related road infrastructures, and traffic safety projects;
- Upgrades to watermains, pressure reducing valve stations, drainage pipes, box culverts, drainage pump stations, canals, sanitary sewers and sanitary pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.).

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2025 ANNUAL DEVELOPMENT COST CHARGES REPORT

What are the guiding principles in developing the DCC program?

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating that development. The City's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- *Local Government Act*
- Development Cost Charges Best Practices Guide
- City of Richmond Official Community Plan (OCP)
- Urban Futures Community-Level Projections of Population, Housing & Employment
- City of Richmond Parks and Open Space Strategy
- City of Richmond City Centre Transportation Plan
- City of Richmond City Centre Area Plan (CCAP)
- City of Richmond Employment Lands Strategy
- City of Richmond Trail Strategy
- City of Richmond Hamilton Area Plan Update

Furthermore, to ensure that affected stakeholders are informed about the DCC program, the City is required to consult, receive and consider comments from representatives of the development industry. Representatives include members from the Urban Development Institute (UDI), Homebuilders Association Vancouver (HAVAN), National Association of Industrial and Office Properties (NAIOP), and local homebuilders and developers.

How are DCC rates derived?

The City began the DCC process by determining the amount of growth expected to occur based on the City's OCP. Using the growth projections for residential, commercial, industrial and institutional developments, the City identified specific infrastructure needs to accommodate this growth. The corresponding estimated costs formed the basis of the DCC program.

There were not any increases to the DCC rates in 2025.

How are DCCs used?

Funds collected through the DCC program are deposited in a separate reserve account. These funds may only be used to pay for the expenditures of the capital project or finance the costs related to debt incurred for the capital project.

DCC cannot be used for costs incurred to operate and maintain parks, roads, water, sanitary and drainage infrastructure already in place to serve the existing residents of the City, or to replace infrastructure if the replacement is not capacity-driven as a result of development.

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2025 ANNUAL DEVELOPMENT COST CHARGES REPORT

How are costs allocated to growth and existing users?

To achieve the objective of promoting growth and ensure the use of a fair and equitable basis of allocating costs, the costs of the DCC are allocated between growth and the existing population. The benefit allocation represents the benefit received from the DCC projects to the entire community and is paid for through tax or other City sources.

II. 2025 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The following table provides a continuity schedule of each DCC reserve fund (by service) for the 2025 fiscal year:

(amounts expressed in thousands of dollars)

	January 1 Balance	Transfers In	Interest Earned	Transfers Out/Adj	December 31 Balance
City-Wide:					
Drainage	\$ 63,564	6,778	2,619	(156)	\$ 72,805
Parks Acquisition	3,298	2,611	160	(2,822)	3,247
Parks Development	17,046	1,500	599	(2,095)	17,050
Roads	81,987	10,788	3,041	(9,664)	86,152
Sanitary Sewer	38,841	880	1,562	(97)	41,186
Water	11,972	420	464	(444)	12,412
Total City-Wide	\$ 216,708	\$ 22,977	\$ 8,445	\$ (15,278)	\$ 232,852
Local Area - Alexandra:					
Drainage	\$ 1,922	\$ -	77	\$ -	\$ 1,999
Parks Acquisition	1,569	-	171	(5)	1,735
Parks Development	533	-	19	-	552
Roads	4,321	-	63	(57)	4,327
Sanitary Sewer	657	-	26	-	683
Water	302	-	12	-	314
Total Local Area	\$ 9,304	\$ -	\$ 368	\$ (62)	\$ 9,610
Total DCC Reserve	\$ 226,012	\$ 22,977	\$ 8,813	\$ (15,340)	\$ 242,462

Note: all amounts are unaudited, and balances include committed amounts approved by Council through the Capital Budget.

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2025 ANNUAL DEVELOPMENT COST CHARGES REPORT

2025 DCC CREDITS

Site Address

Developer/Applicant

Drainage

No credits for drainage were issued during 2025.

Parkland Acquisition

No credits for parks acquisition were issued during 2025.

Parkland Development

No credits for parks development were issued during 2025.

Roads

3699 Sexsmith Road

Polygon Fiorella

Sanitary Sewer

No credits for sanitary sewer were issued during 2025.

Water

No credits for water were issued during 2025.

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2025 ANNUAL DEVELOPMENT COST CHARGES REPORT

III. 2025 and 2026 DCC PROGRAMS

Drainage

The projects in the Drainage DCC Program include upgrades to box culverts, dikes, drainage pipes and pump stations.

A summary of the projects funded by the Drainage DCC during 2025 and the projects set to begin in 2026 are contained in Appendix 1.

Parkland Acquisition and Park Development

The projects in the Parks Acquisition DCC Program include acquisition and internal repayments for park land and open space required to meet the needs of the City's growth. The projects include park planning and development, as well as new playgrounds. Areas impacted include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC during 2025 and the projects set to begin in 2026 are contained in Appendix 2.

Roads

The projects in the Roads DCC Program include new/widening of roads, intersection and traffic signal improvements, selected arterial improvements, pedestrian and cyclist improvements, transit-related road infrastructure, traffic safety projects, and internal repayments.

A summary of the projects funded by the Roads DCC during 2025 and the projects set to begin in 2026 are contained in Appendix 3.

Sanitary Sewer

The projects in the Sanitary Sewer DCC Program include upgrades to sanitary sewers, forcemains and pump stations.

A summary of the projects funded by the Sanitary Sewer DCC during 2025 and the projects set to begin in 2026 are contained in Appendix 4.

Water

The projects in the Water DCC Program include upgrades to watermains and pressure reducing valve stations.

A summary of the projects funded by the Water DCC during 2025 and the projects set to begin in 2026 are contained in Appendix 5.

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IV. WAIVERS AND REDUCTIONS

Section 563 of the *Local Government Act* provides the option for municipalities to exempt or waive DCC for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- A subdivision of small lots that is designed to result in low greenhouse gas emission; and
- A development designed to result in a low environmental impact.

Any waivers made under this section would require the City to pay an equivalent amount from other non-DCC funding sources. During 2025, no waivers or reductions were requested or granted.

V. MUNICIPAL ASSIST FACTOR

The *Local Government Act* requires that the existing municipality provides a contribution to help growth in meeting its service cost obligations. In determining the municipal assist factor, the City considers the following factors:

- Future land use patterns and development;
- Phasing of works and services;
- Whether the charges are excessive in relation to the capital costs of prevailing standards of service;
- Whether the costs will deter development; or
- Whether the charges will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.

Based on the above factors and the assessment that the majority of the capital improvements are a result of new growth, the City’s municipal assist factor has been set at 1% which is the minimum amount the City may contribute. The assist factor is separate from the portion of the infrastructure cost that is allocated based on the benefit received to the population at large.

While the City leverages new development to pay for the growth-related infrastructure assets, only capital programs identified in the approved DCC plan can be funded by DCCs. In addition to growth, a DCC-approved capital project can also benefit the existing population. In accordance with the *Local Government Act*, the City is responsible for paying for the portion of the total infrastructure cost that benefits the existing population, through tax or other funding sources, and the one per cent municipal assist factor to assist future growth in paying its share of the DCC infrastructure costs. The City funding related to the Drainage, Water, and Sanitary Sewer DCC programs will be funded by their corresponding capital reserves. The City funding for Roads, Parks Acquisition, and Parks Development DCC programs will be funded by the Capital Reserve (Revolving Fund).

DRAINAGE – 2025 Expenditures

This table summarizes all projects approved in 2025 and earlier that had expenditures funded by the Drainage DCC during 2025:

Location	Type of Infrastructure / Description
City Wide	Disaster Mitigation
No 3 Road South	Drainage Pump
City Wide	Dike Upgrades

DRAINAGE – 2026 Projects

This table summarizes all projects funded by the Drainage DCC that have been approved in the 2026 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Dike Upgrade Designs
City Wide	Disaster Mitigation

PARKS – 2025 Expenditures

This table summarizes all projects approved in 2025 and earlier that had expenditures funded by the Parks DCC during 2025:

Location	Type of Infrastructure / Description
City Wide	Advanced Planning & Design
City Wide	Community Gardens
City Wide	General Development
Minoru Park	Lakes renewal and development of neighbourhood park
Brighthouse Park field upgrades	Park Development
London Steveston Neighbourhood School Park	Park Development
Middle Arm Waterfront Greenway	Park Development
City Wide	Parks Identity Signage Program
City Wide	Playground improvements
Hugh Boyd Community Park	Playground improvements
Steveston Community Park	Playground improvements

PARKS – 2026 Projects

This table summarizes all projects funded by the Parks DCC that have been approved in the 2026 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Experience the Fraser Trail Enhancements (Phase 1)
City Wide	Parks Advance Planning and Design
City Wide	Parks General Development
Hugh Boyd Community Park	Parks Identity and Wayfinding Signage Program

ROADS – 2025 Expenditures

This table summarizes all projects approved in 2025 and earlier that had expenditures funded by the Roads DCC during 2025:

Location	Type of Infrastructure / Description
City Wide	Active Transportation Improvement Program
City Wide	Advanced Design
City Wide	Arterial Roadway Improvement Program
Gilbert Road	Cycling Facility
Lansdowne Road	Cycling Facility
City Wide	LED Street Name Sign Program
No 2 Rd	Multi-Use Pathway
No 4 Rd	Multi-Use Pathway
Garden City	Multi-Use Pathway
Steveston Hwy	Multi-Use Pathway
Westminster Hwy	Multi-Use Pathway
City Wide	Neighbourhood Walkway Program
City Wide	Railway Crossings
City Centre-Sexsmith Road to Brown Road	Sexsmith Road/Brown Road Bike Route
City Wide	Special Crosswalk Program
City Wide	Top 20 Collision Prone Intersections- Implementation of Medium-/Long-term Improvements
City Wide	Traffic Calming Program
City Wide	Traffic Signal Power Backup System (UPS)
City Wide	Traffic Signal Program
City Wide	Traffic Video and Communication Program
Cambie Rd	Transit Roadways Improvement Program
City Wide	Transit Roadways Improvement Program
City Wide	Transit-Related Amenity Improvement Program
City Wide	Transportation Planning, Functional and Preliminary Design

ROADS – 2026 Projects

This table summarizes all projects funded by the Roads DCC that have been approved in the 2026 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Active Transportation Improvement Program
City Wide	Arterial Roadway Improvement Program
City Wide	Neighbourhood Walkway Program
City Wide	Special Crosswalk Program
City Wide	Top 20 Collision Prone Intersections- Implementation of Medium-/Long-term Improvements
City Wide	Traffic Calming Program
City Wide	Traffic Signal Power Backup System (UPS)
City Wide	Traffic Signal Program
City Wide	Traffic Video and Communication Program
City Wide	Transit-Related Roadway Improvement Program
City Wide	Transportation Planning, Functional and Preliminary Design
City Wide	Public Works Infrastructure Advanced Design

SANITARY SEWER – 2025 Expenditures

This table summarizes all projects approved in 2025 and earlier that had expenditures funded by the Sanitary Sewer DCC during 2025:

Location	Type of Infrastructure / Description
City Wide	Public Works Infrastructure Advanced Design

SANITARY SEWER – 2026 Projects

This table summarizes all projects funded by the Sanitary Sewer DCC that have been approved in the 2026 Capital Budget.

Location	Type of Infrastructure / Description
City Wide	Laneway Drainage Upgrades
City Wide	Public Works Infrastructure Advanced Design

WATER – 2025 Expenditures

This table summarizes all projects approved in 2025 and earlier that had expenditures funded by the Water DCC during 2025:

Location	Type of Infrastructure / Description
City Wide	Watermain replacement

WATER – 2026 Projects

This table summarizes all projects funded by the Water DCC that have been approved in the 2026 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Watermain replacement upgrades